

Washington State Homeland Security Section

Information Bulletin

HLS-IB-2007-004

Subject: **Program Income**

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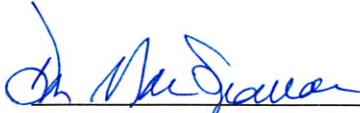

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I. Introduction

The Homeland Security Section of Emergency Management Division (EMD) is providing this information bulletin to assist local governments, state agencies and tribes in properly accounting for program income related to grants received from the Department of Homeland Security (DHS).

II. What is Program Income?

Program income is money received from activities like renting equipment or delivering training. Specifically, program income means money earned by the sub-recipient that is directly generated by a supported activity or earned as a result of the award. Program income includes income from fees for services performed, the use or rental of real or personal property acquired under federally funded projects, the sale of commodities or items fabricated under an award, license fees and royalties on patents and copyrights, and interest on loans made with award funds. Interest earned on advances of federal funds is not program income.

III. How must it be tracked during the grant performance period?

Program income earned during the specific grant performance period must be retained by the sub-recipient and used to further the project objectives within that specific grant performance period. Program income should be used as earned and expended as soon as possible against grant performance activities. Program income must be tracked and deducted against the balance of any reimbursement requests for EMD. Extension and reopening of grant performance periods prolongs the tracking obligation for program income.

IV. How must it be tracked after the grant performance period?

Sub-recipients must have no obligation regarding program income earned after the end of the specific grant performance period. Program income can be used at the discretion of the sub-recipient.

V. Examples

For example, the grant performance period was October 1, 2005 through September 30, 2006. The grant purchased a trailer to operate as a remote EOC on January 15, 2006. The trailer was used for an exercise in June of 2006. The user was charged for three days use at \$50.00 per day for a total of \$150.00 of program income. This money must be accounted and expended within the grant performance period against grant performance activities such as goods & services, equipment, salaries & benefits, and sundries for training, exercise or planning meetings.

However, if the same trailer was used for an exercise on December of 2006 and \$100 was generated from its use, the money was earned after the grant performance period and can be used at the discretion of the sub-recipient.

VI. References

DHS Financial Management Guide

http://www.dhs.gov/xlibrary/assets/Grants_FinancialManagementGuide.pdf

OMB Circular A-110 Uniform Administrative Requirements for Grants and Other Agreements with Institutions of Higher Education, Hospitals and Other Non-Profit Organizations

<http://www.whitehouse.gov/omb/circulars/a110/a110.html>

2 CFR Part 215 Grants and Agreements <http://ecfr.gpoaccess.gov/cgi/t/text/text-idx?c=ecfr;sid=dcf166b3be8634f4116d8c3542751353;rgn=div5;view=text;node=2%3A1.1.2.3.2;idno=2;cc=ecfr> or OMB Circular A-102 Grants and Cooperative Agreements with State and Local Governments <http://www.whitehouse.gov/omb/circulars/a102/a102.html>